

2.2 Budgeted expenses and performance for Outcome 2

Outcome 2: Individual Health Benefits

Ensuring improved access for all Australians to cost-effective and affordable medicines, medical, dental and hearing services; improved choice in health care services, through guaranteeing Medicare and the Pharmaceutical Benefits Scheme; supporting targeted assistance strategies and private health insurance.

Programs contributing to Outcome 2

Program 2.1: Medical Benefits

Program 2.2: Hearing Services

Program 2.3: Pharmaceutical Benefits

Program 2.4: Private Health Insurance

Program 2.5: Dental Services

Program 2.6: Health Benefit Compliance

Program 2.7: Assistance through Aids and Appliances

Linked programs¹

Australian Taxation Office (ATO)
Programs
<ul style="list-style-type: none"> Program 1.12 – Private Health Insurance Rebate
Contribution to Outcome 2 made by linked programs
The ATO contributes to the administration of the Government's Private Health Insurance Rebate program (2.4). The ATO also works with the Department of Health, Disability and Ageing to improve private health insurance modelling capabilities (2.4).
Department of the Prime Minister and Cabinet (PM&C)
Programs
<ul style="list-style-type: none"> Program 1.1 – Prime Minister and Cabinet
Contribution to Outcome 2 made by linked programs
The Office for Women is overseeing implementation of Working for Women: <i>A Strategy for Gender Equality</i> . This provides a framework for national gender equality approaches, including in relation to gender equity in healthcare access and outcomes (2.1 and 2.3).

¹ Relevant Department of Health, Disability and Ageing program linkages are shown in parenthesis at the end of each linked program.

<p>Department of Social Services (DSS)</p> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Support for Families • Program 1.3 – Support for Seniors • Program 1.4 – Financial Support for People with Disability • Program 1.5 – Financial Support for Carers • Program 1.6 – Working Age Payments • Program 1.7 – Student Payments
<p>Contribution to Outcome 2 made by linked programs</p> <p>DSS contributes to providing access to cost-effective medicines, medical, dental, and hearing services by determining income support recipient eligibility for Pensioner Concession Cards, Health Care Cards and Commonwealth Seniors Health Cards, which attract concessions under this Outcome (2.1, 2.2, 2.3, 2.5 and 2.6).</p>
<p>Department of the Treasury (Treasury)</p> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.4 – Commonwealth-State Financial Relations
<p>Contribution to Outcome 2 made by linked programs</p> <p>Treasury provides financial assistance through National Partnership payments to state and territory governments as part of the Federal Financial Relations Framework, which includes funding for the Federation Funding Agreement for access to Public Dental Services for Adults (2.5).</p>
<p>Department of Veterans' Affairs (DVA)</p> <p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 – General Medical Consultations and Services • Program 2.2 – Veterans' Hospital Services • Program 2.3 – Veterans' Pharmaceuticals Benefits • Program 2.5 – Veterans' Counselling and Other Health Services • Program 2.6 – Military Rehabilitation and Compensation Acts – Health and Other Care Services
<p>Contribution to Outcome 2 made by linked programs</p> <p>DVA provides access to general and specialist medical and dental services for its clients (2.1, 2.5 and 2.6).</p> <p>DVA's Repatriation Pharmaceutical Benefits Scheme provides clients access to a comprehensive range of pharmaceuticals and wound dressings for the treatment of their health care needs (2.3).</p>
<p>Hearing Australia</p> <p>Programs</p> <ul style="list-style-type: none"> • Program 2.2 – Hearing Services
<p>Contribution to Outcome 2 made by linked programs</p> <p>Hearing Australia provides access to high quality hearing services and undertakes research into hearing loss through its research arm, the National Acoustics Laboratories. It also delivers the Community Service Obligations component of the Hearing Services Program, providing specialist services to children and other eligible adults (2.2).</p>
<p>National Health Funding Body (NHFB)</p> <p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – National Health Funding Pool Administration
<p>Contribution to Outcome 2 made by linked programs</p> <p>The Department of Health, Disability and Ageing has lead responsibility for the integrity of health benefits claims and associated compliance activities. The Administrator and the NHFB work with the Commonwealth, states and territories on data matching and the identification of potential duplicate payments through other Commonwealth funded programs to ensure the same public hospital service is not funded twice (2.6).</p>

Professional Services Review (PSR)
Programs <ul style="list-style-type: none"> • Program 1.1 – Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme
Contribution to Outcome 2 made by linked programs The PSR contributes to the integrity of the Medicare Benefits, Child Dental Benefits Schedule, and Pharmaceutical Benefits programs. They do this by investigating, on request from the Chief Executive Medicare, health practitioners and entities that provide such services who are suspected of inappropriate practice and determining any sanctions to be applied (2.1, 2.5 and 2.6).
Services Australia
Programs <ul style="list-style-type: none"> • Program 1.2 – Customer Service Delivery • Program 1.3 – Technology and Transformation
Contribution to Outcome 2 made by linked programs Services Australia administers payments to eligible recipients under the following programs: <ul style="list-style-type: none"> – Medicare services and benefit payments, and related Medicare Benefits Schedule items (2.1) – external breast prostheses reimbursements (2.1) – ex-gratia payments for the Disaster Health Care Assistance Scheme (2.1) – Hearing Services Program payments for voucher services and devices (2.2) – the Pharmaceutical Benefits Scheme (2.3) – Lifetime Health Cover mail out and the private health insurance rebate (2.4) – the Child Dental Benefits Schedule (2.5) – payment of claims from stoma associations for stoma-related products (2.7) – payment for claims from Independence Australia for the Chronic Wound Consumables Scheme (2.7).

Budgeted expenses for Outcome 2

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

Outcome 2: Ensuring improved access for all Australians to cost-effective and affordable medicines, medical, dental and hearing services; improved choice in healthcare services, through guaranteeing Medicare and the Pharmaceutical Benefits Scheme; supporting targeted assistance strategies and private health insurance.

	2025–26 Estimated actual \$'000	2026–27 Budget \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000	2029–30 Forward estimate \$'000
Program 2.1: Medical Benefits					
Administered expenses					
Ordinary annual services ^(a)	144,062	143,255	120,051	119,928	122,841
Special account					
Medicare Guarantee Fund					
- medical benefits	34,959,960	37,377,286	38,879,196	39,963,349	41,296,627
accrual adjustment	40,155	42,206	28,281	55,138	54,680
Total for Program 2.1	35,144,177	37,562,747	39,027,528	40,138,415	41,474,148
Program 2.2: Hearing Services					
Administered expenses					
Ordinary annual services ^(a)	700,787	698,946	745,129	745,103	745,071
Total for Program 2.2	700,787	698,946	745,129	745,103	745,071
Program 2.3: Pharmaceutical Benefits					
Administered expenses					
Ordinary annual services ^(a)	1,165,372	1,291,519	1,308,308	1,369,823	1,227,869
Special account					
Medicare Guarantee Fund					
- pharmaceutical benefits	21,072,363	22,138,568	22,532,973	22,888,242	22,578,683
accrual adjustment	(128,785)	17,930	6,215	5,862	2,230
Total for Program 2.3	22,108,950	23,448,017	23,847,496	24,263,927	23,808,782
Program 2.4: Private Health Insurance					
Administered expenses					
Ordinary annual services ^(a)	11,736	8,714	7,768	7,350	7,365
Special appropriations					
<i>Private Health Insurance Act 2007 -</i>					
incentive payments and rebate	7,562,910	7,588,181	7,083,161	7,122,703	7,160,357
Total for Program 2.4	7,574,646	7,596,895	7,090,929	7,130,053	7,167,722
Program 2.5: Dental Services ^(b)					
Administered expenses					
Special appropriations					
<i>Dental Benefits Act 2008</i>	374,288	334,613	333,063	331,948	332,661
Total for Program 2.5	374,288	334,613	333,063	331,948	332,661

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2025–26 Estimated actual \$'000	2026–27 Budget \$'000	2027–28 Forward estimate \$'000	2028–29 Forward estimate \$'000	2029–30 Forward estimate \$'000
Program 2.6: Health Benefit Compliance					
Administered expenses					
Ordinary annual services ^(a)	19,009	25,663	23,215	17,299	17,152
Total for Program 2.6	19,009	25,663	23,215	17,299	17,152
Program 2.7: Assistance through Aids and Appliances					
Administered expenses					
Ordinary annual services ^(a)	48,719	48,509	49,889	50,722	52,189
Special appropriations <i>National Health Act 1953</i> - aids and appliances	510,653	518,397	539,110	560,615	537,768
Total for Program 2.7	559,372	566,906	588,999	611,337	589,957
Outcome 2 totals by appropriation type					
Administered expenses					
Ordinary annual services ^(a)	2,089,685	2,216,606	2,254,360	2,310,225	2,172,487
Special appropriations	8,447,851	8,441,191	7,955,334	8,015,266	8,030,786
Special account accrual adjustment	56,032,323 (88,630)	59,515,854 60,136	61,412,169 34,496	62,851,591 61,000	63,875,310 56,910
Departmental expenses					
Departmental appropriation ^(c)	286,252	284,364	286,074	256,038	258,045
Expenses not requiring appropriation in the Budget year ^(d)	3,372	2,872	3,175	3,167	3,003
Total expenses for Outcome 2	66,770,853	70,521,023	71,945,608	73,497,288	74,396,541
	2025–26	2026–27			
Average staffing level (number)	1,021	1,021			

^(a) Appropriation Bill (No. 1) 2026-2027.

^(b) Budget estimates for this program exclude National Partnership payments to state and territory governments by Treasury as part of the Federal Financial Relations framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Program 1.9 of Treasury's Portfolio Budget Statements.

^(c) Departmental appropriation combines 'Ordinary annual services Appropriation Bill (No. 1)' and 'Revenue from independent sources (s74)'.

^(d) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Performance measures for Outcome 2

Table 2.2.2 – 2.2.8 details the performance measures for each program associated with Outcome 2. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan, the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2026–27 Budget measures that have created new programs or materially changed existing programs are provided.

Table 2.2.2: Performance measures for Program 2.1

Outcome 2: Individual Health Benefits		
Ensuring improved access for all Australians to cost-effective and affordable medicines, medical, dental and hearing services; improved choice in health care services, through guaranteeing Medicare and the Pharmaceutical Benefits Scheme; supporting targeted assistance strategies and private health insurance.		
Program 2.1: Medical Benefits		
Deliver a modern, sustainable Medicare Benefits Schedule (MBS) that provides rebates for Australians to support access to a wide range of clinical services, based on the best available evidence. Work with consumers, health professionals, private health insurers and states and territories to implement Government initiatives to strengthen Medicare. Provide bulk billed primary care services under Medicare.		
Key Activity	Provide access to subsidised health services.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.1A – Percentage of Australians accessing MBS services.	87.7% (Target: >90%) Target: At risk MBS is a demand-driven program and service utilisation depends on the behaviour of consumers and the billing practices of health practitioners.
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.1A – Percentage of Australians accessing MBS services.	>90%
Forward Estimates 2027–30	As per 2026–27	>87%

Program 2.1: Medical Benefits		
Key Activity	Patient visits to Medicare-subsidised General Practitioners.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.1B – Percentage of Australians who had a GP Non-Referred Attendance claimed through the MBS.	83.3% (Target: >85%) Target: At risk MBS is a demand-driven program and service utilisation depends on the behaviour of consumers and the billing practices of health practitioners. The measures introduced on 1 November 2025 are expected to improve affordability and increase the bulk billing rate.
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.1B – Percentage of Australians who had a GP Non-Referred Attendance claimed through the MBS.	>85%
Forward Estimates 2027–30	As per 2026–27	>80%

Program 2.1: Medical Benefits		
Key Activity	Support access to bulk billed General Practice attendances.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.1C – General Practice Non-Referred Attendance Bulk Billing Rate.	79.2% (Target: ≥78.5%) Target: On track
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.1C – General Practice Non-Referred Attendance Bulk Billing Rate.	Annual increase on 2025–26 and further increases for each subsequent year.
Forward Estimates 2027–30	As per 2026–27	<ul style="list-style-type: none"> • 2027–28 Annual increase on 2026–27 and further increases for each subsequent year. • 2028–29 Annual increase on 2027–28 and further increases for each subsequent year. • 2029–30 Annual increase on 2028–29 and further increases for each subsequent year.
Material changes to Program 2.1 resulting from 2026–27 Budget Measures: Nil		

Table 2.2.3: Performance measures for Program 2.2

Program 2.2: Hearing Services		
Provide subsidised hearing services and devices to eligible people.		
Key Activity	Administration of the Hearing Services Program.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.2A – The number of program clients that receive at least one hearing service in the reporting period.	Target: Data not available² Program is demand driven.
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.2A – The number of program clients that receive at least one hearing service in the reporting period.	Program is demand driven.
Forward Estimates 2027–30	As per 2026–27	Program is demand driven.
Material changes to Program 2.2 resulting from 2026–27 Budget Measures: Nil		

² Data is not yet available. Results will be published in the Department of Health, Disability and Ageing 2025–26 Annual Report.

Table 2.2.4: Performance measures for Program 2.3

Program 2.3: Pharmaceutical Benefits		
Administer the Pharmaceutical Benefits Scheme to provide eligible Australians with access to timely subsidised medicines, as prescribed by their treating clinicians.		
Key Activity	Ensure timely listing of prescription medicines on the Pharmaceutical Benefits Scheme.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.3A – Percentage of new medicines recommended by the Pharmaceutical Benefits Advisory Committee (PBAC) that are listed on the Pharmaceutical Benefits Scheme within 6 months of in principle agreement to listing arrangements.	≥85% Target: On track
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.3A – Percentage of new medicines recommended by the Pharmaceutical Benefits Advisory Committee (PBAC) that are listed on the Pharmaceutical Benefits Scheme within 6 months of in principle agreement to listing arrangements.	≥90%
Forward Estimates 2027–30	As per 2026–27	As per 2026–27

Program 2.3: Pharmaceutical Benefits		
Key Activity	Provide affordable access to subsidised prescription medicines on the Pharmaceutical Benefits Scheme (PBS).	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.3B – Average cost for prescriptions by consumer for PBS medicines.	\$7.50 Target: On track
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.3B – Average cost for prescriptions by consumer for PBS medicines.	\$7.50
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.3 resulting from 2026–27 Budget Measures: Nil		

Table 2.2.5: Performance measure for Program 2.4

Program 2.4: Private Health Insurance		
Promote affordable, cost-effective, quality private health insurance (PHI) and choice for consumers.		
Key Activity	Assessment of private health insurer premium change applications.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.4A – Percentage of applications to the Minister from private health insurers to set premiums charged under a compliant health insurance product that are assessed within approved timeframes.	100% Target: Achieved
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.4A – Percentage of applications to the Minister from private health insurers to set premiums charged under a complying health insurance product that are assessed within approved timeframes.	100%
Forward Estimates 2027–30	As per 2026–27	As per 2026–27

Program 2.4: Private Health Insurance		
Key Activity	Implementation of private health insurance clinical category and procedure type classifications for Medicare Benefits Schedule (MBS) item changes.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.4B – The percentage of PHI clinical category and procedure type classifications which are implemented concurrently with associated MBS item changes.	100% Target: Achieved
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.4B – The percentage of PHI clinical category and procedure type classifications which are implemented concurrently with associated MBS item changes.	100%
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.4 resulting from 2026–27 Budget Measures: Nil		

Table 2.2.6: Performance measure for Program 2.5

Program 2.5: Dental Services		
Support eligible children to access essential dental health services through the Child Dental Benefits Schedule (CDBS).		
Key Activity	Continuing to work with Services Australia to increase uptake of the CDBS program to support eligible children to access essential dental health services.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.5A – The percentage of eligible children accessing essential dental health services through the Child Dental Benefits Schedule.	Target: Data not available ³ Program is demand driven.
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.5A – The percentage of eligible children accessing essential dental health services through the Child Dental Benefits Schedule.	Program is demand driven.
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 2.5 resulting from 2026–27 Budget Measures: Nil		

³ Data is not yet available. Results will be published in the Department of Health, Disability and Ageing 2025–26 Annual Report.

Table 2.2.7: Performance measure for Program 2.6

Program 2.6: Health Benefit Compliance		
Support the integrity of health benefit claims under the Medicare Benefits Schedule, Pharmaceutical Benefits Scheme and Child Dental Benefits Schedule, through identifying and treating non-compliance.		
Key Activity	Identify incorrect claiming and investigate for non-compliance.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.6A – Percentage of completed audits, practitioner reviews and investigations that find non-compliance.	>80% Target: On track
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.6A – Percentage of completed audits, practitioner reviews and investigations that find non-compliance.	>80%
Forward Estimates 2027–30	As per 2026–27	2027–28: >82% 2028–29: As per 2027–28 2029–30: As per 2028–29
Material changes to Program 2.6 resulting from 2026–27 Budget Measures: Nil		

Table 2.2.8: Performance measure for Program 2.7

Program 2.7: Assistance through Aids and Appliances		
Improve health outcomes for the Australian community through the provision of targeted assistance for aids and appliances.		
Key Activity	Provide targeted assistance for aids and appliances to support Australians to manage diabetes.	
Year	Performance Measure	Expected Performance Results
Current Year 2025–26	2.7A – Number of people accessing subsidised products through the National Diabetes Services Scheme.	>750,000 Target: On track
Year	Performance Measure	Planned Performance Results
Budget Year 2026–27	2.7A – Number of people accessing subsidised products through the National Diabetes Services Scheme.	>765,000
Forward Estimates 2027–30	As per 2026–27	2027–28: >780,000 2028–29: >795,000 2029–30: >810,000
Material changes to Program 2.7 resulting from 2026–27 Budget Measures: Nil		

